

## **SP 29.2, California Sales and Use Tax**

### **Substantive changes made for the 3-31-06:**

1. Deletes site-specific language related to LANL and LLNL.
2. Revises language in the PROCEDURES sections “General” and “Resale Certificate” for clarity. Also, adds language to identify where the resale certificate form can be found on the Procurement server.
3. In the PROCEDURES section, “Tax-Exempt Acquisitions”, clarifies that purchases should be treated as for resale to DOE and exempt from State sales tax unless purchased for a taxable purpose.
4. In the PROCEDURES section, “Taxable acquisitions”, modifies language to state that application of sales tax for subcontracts depends on factors such as how the items will be used. The examples provided are updated and a new bullet item added pertaining to personal property that does not become the property of DOE. The subparagraphs “Taxable Materials” and “Taxable Fixtures” are deleted and moved under a new section entitled “Improvements to Realty”.
5. In the PROCEDURES section, “Sales Tax Determinations,” modifies language to clarify the responsibilities of the procurement specialist in making sales tax determinations and interaction that should take place with the requester during this activity.
6. In the PROCEDURES section, “Solicitations and Subcontracts” clarifies the language regarding what should be noted in solicitations and subcontracts when sales tax applies and how to handle requests from subcontractors for payment of State or local taxes, fees, or charges that are inapplicable or invalid.
7. In the PROCEDURES section, “Major Projects,” adds requirement to channel questions regarding the applicability of sales tax to complex and/or major subcontracts to Legal Counsel through the procurement supervisor.
8. Adds language in the PROCEDURES section, “Sponsored Projects (Work-for-Others)” regarding remittance of applicable sales tax for personal property by the Accounting Department.
9. Modifies the PROCEDURES sections, “Taxable Prefabricated Buildings” and “Non-Taxable Prefabricated Buildings,” to correctly identify what is considered taxable and non-taxable.
10. Updates the RESPONSIBILITIES section to reflect the responsibilities of both the procurement specialist and the procurement supervisor.
11. Updates the Prime Contract clause to conform to Contract 31 and adds clause I.37.
12. Updates Exhibit 29.2.a, *Examples of Taxable Materials and Fixtures*